

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575

VIA FEDERAL EXPRESS



September 9, 1998

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 20423-0001

RECORDATION NO. 21637 FILED

SEP 11 '98 11-46 AM

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated July 20, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Montana Rail Link, Inc.
101 International Way
P.O. Box 8779
Missoula, Montana 59807-8779

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Grokulskey".

Susan Grokulskey
Manager – Documents Administration

Enclosures

(MRL005)

ASSIGN: MRL005

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SEP 11 '98

11-46 AM

Memorandum of Lease

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 20th day of July, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Montana Rail Link ("Lessee").

W I T N E S S E T H:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement, (the "Lease") dated as of April 1, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 1 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of April 1, 1998, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: 

Name: JACK THOMAS
President

Title: _____

By: Michelle Berg

Name: Michelle Berg

Title: Office Manager

Executed on this 14 day of August, 1998.

[CORPORATE SEAL]

STATE OF Illinois

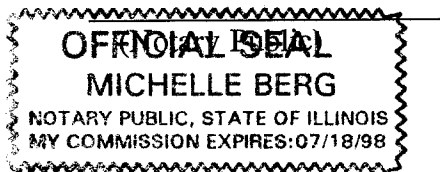
COUNTY OF Cook

I, Michelle Berg, a Notary Public in and for said state and county, certify that John J. Thomas personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 14 day of August, 1998.

Michelle Berg
Notary Public

My Commission Expires:



LESSEE:

MONTANA RAIL LINK

ATTEST:

By: William H. Brodsky

Name: William H. Brodsky

By: Mel Dinus

Title: President

Name: MEL DINUS

Title: Sr. CMO

Executed on this 30th day of July, 1998.

[CORPORATE SEAL]

STATE OF MONTANA

COUNTY OF MISSOULA

I, Lynda M. Frost, a Notary Public in and for said state and county, certify that William H. Brodsky personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease Agreement.

WITNESS my hand and official stamp or seal, this 30th day of July, 1998.

Lynda M. Frost
Notary Public

My Commission Expires:

August 24, 2000

(Notary Public)

EXHIBIT A
to
Memorandum of Lease

NUMBER OF CARS: One Hundred (100) Cars

DESCRIPTION OF CARS: 100-ton Boxcars, high-cube.

CAR NUMBERS: MRL 10001 - 10100